

Introduction to the HORECA Sector

The hotel, restaurant and catering sector (HORECA) is an important service sector in the European economy and has grown strongly in recent years.

It is defined by section H of the European Union's NACE system Rev. 1, which classifies economic sectors, and division 55 of the International Standard Industrial Classification (ISIC Rev. 3). It includes:

- hotels and motels, with or without restaurant
- camping sites and other short-stay accommodation
- youth hostels and mountain refuges
- camping sites, including caravan sites
- other provision of lodgings
- restaurants
- bars
- canteens and catering.

The sector consists mainly of restaurants and bars. Together, they accounted for about two thirds of turnover and 75% of jobs in 2001. (6)

However, despite the success of the large hotel, fast food and takeaway chains and franchises, the sector is still dominated by small, independent, family-owned organisations.

The sector consists of more than 90% of small enterprises (less than nine employees). Only 0.1% of all enterprises were large (more than 250 employees) in 2001. However, the latter accounted for 19% of jobs and 23% of turnover in 2000. (1)

Employment in the hotel, restaurant and catering sector

HORECA is an important job creator in the service sector and in the economy as a whole in many EU Member States.

About 7.8 million people were employed in this sector in 2004, which accounts for 4% of total employment in the EU25.

The jobs created by tourism are often characterised by their seasonal nature and by lower pay than is usual in other service sectors. Executives, company managers and middle management account for only a small proportion of



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employees. The labour force is far younger and less qualified than in other sectors and employs greater numbers of women — one in every two jobs is held by a woman.

In 2004, 54% of jobs in hotels, restaurants and catering were staffed by women in the EU25, compared with 44% both in services and in the economy as a whole (except for Malta, Greece, France and Spain). (3) Men work predominately in bars and clubs, as doormen or chefs; there is a strong female presence in canteens and catering. Women are generally not heavily represented in higher-level supervisory and management levels.

The 15-34 age group accounted for slightly more than 48% of the total jobs in the HORECA sector in the EU25 in 2004, compared with 35% in the service sector as a whole.

The reasons for the high percentage of young people in this sector are because:

- it is a sector that mostly offers jobs for people who are not highly qualified and hence not highly paid, and it allows many young people with low education to enter the job market;
- jobs are often temporary or seasonal: students, for example, can easily find work during holidays or outside of their classroom hours;
- working conditions are not attractive to older workers given the low wages and irregular work hours that may be incompatible with family life;
- these are jobs that often require good physical fitness.

People aged over 55 play a minor role in HORECA employment. In the EU25, they accounted for slightly less than 10% of total jobs in 2004.

Finally, the proportion of part-time jobs in this sector was 26% in 2004, the highest of any sector.

Turning to the qualifications of employees, in 2002 less than one in every 10 employees had a high education level, and more than 41% of the employees had low levels of qualifications.

It is also a sector of activity that employs greater numbers of immigrant staff than other sectors.

The following table summarises the job situation in the HORECA sector in Europe. (3)



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Employment in the HORECA sector, 2004

	Jobs ('000)	Proportion of jobs in the economy (%)	Proportion of jobs in the HORECA sector:		
			Age 15- 34	Females	Part-time
EU25	7 837	4.0	48.4	54.1	26.0
Belgium	128	3.1	42.6	51.6	32.0
Czech Republic	178	3.8	49.3	53.9	6.7
Denmark	60	2.2	64.3	56.7	50.0
Germany	1 208	3.4	41.0	57.0	33.1
Estonia	17	2.9	(50.2)	70.6	:
Greece	280	6.5	47.3	46.6	6.1
Spain	1 199	6.7	43.8	49.4	14.5
France	813	3.3	47.2	47.6	23.6
Ireland	108	5.9	57.2	54.2	34.9
Italy	1 040	4.6	46.1	50.1	23.5
Cyprus	30	8.9	31.9	54.7	9.7
Latvia	22	2.2	52.7	77.3	:
Lithuania	32	2.2	(56.3)	78.1	:
Luxembourg	:	:	:	:	:
Hungary	149	3.8	48.1	58.0	6.0
Malta	12	8.2	56.4	37.5	18.2
Netherlands*	311	3.8	66.8	53.0	67.4
Austria	212	5.7	43.8	62.3	23.6
Poland	226	1.7	51.2	66.4	12.4
Portugal	264	5.2	38.6	59.8	7.6
Slovenia	38	4.0	47.7	60.5	13.5
Slovakia	82	3.8	53.1	63.4	4.8
Finland	75	3.1	53.5	73.3	26.7
Sweden	131	3.0	60.0	55.0	40.5
UK	1 216	4.4	58.0	56.6	49.3
Iceland	5	3.2	58.8	60.0	20.0
Norway	72	3.2	66.9	61.1	48.6
Switzerland	149	3.8	47.9	59.1	36.9

* 2003 data.

: Data not available. The data from Luxembourg was not used, its job market being excessively influenced by cross-border workers from Belgium, Germany and France.

() The data in brackets are not very reliable given the small size of the sample.



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Features of working conditions in the HORECA sector

The main features, which may have a negative impact on working conditions in hotels, restaurants and catering are:

- irregular, often constraining work hours
- atypical jobs such as stand-by duty and inconvenient part-time work
- comparatively low pay
- lack of job stability
- unpromising career prospects.

Another feature of work in the HORECA sector are the heavy workloads — urgent work, peak hours, constant contact with customers, tasks requiring great concentration, few replacements in case of illness, overtime work, difficult customers etc — and high levels of stress.

In some cases, this stress is related to the monotony of the job and boredom. A lack of training can also lead to stress. Other risk factors include violence, harassment (from customers, colleagues and employers) and discrimination (to women and people from other countries).

Great flexibility is demanded of workers, who therefore have little control over their working hours, and do not have time to take breaks and never know exactly at what time they will finish their work. These factors can disturb the balance between working and private life.

The peak hours for HORECA businesses are also at those times when most people are not working, so that long and irregular working hours — evening, night and weekends — are commonplace. In 2000, for example, 45% of women and 40% of men worked on Saturdays; 23% of women and 26% of men worked on Sundays.

In most countries, the average length of the working week in the HORECA sector is longer than other sectors. These difficult working conditions lead to high rates of labour turnover, which offers little incentive to employers to train their workers.

Training workers — good practice

Employee development in tourism (EDIT): a comparative study of policies and practices in the hotel industry (UK — 1997) (12)

The main aims of this project were to encourage policy-makers and employers in the tourism and hospitality industry to improve employee training and development, and to adopt a lifelong approach to training. This



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was in order to increase the 'professionalisation' and status of jobs in the tourism sector.

EDIT (1997) was based on a comparative study of policies and practices in the hotel industry in the partner countries: Bulgaria, Finland, Spain and the UK. Two tourist locations were chosen in each country — one known to attract heritage tourism and business travellers, and the other a seasonal tourist resort. Interviews were carried out with managers to assess company policy and practice. Case studies of each hotel were also carried out, focusing mainly on the employees' skills, work history and their attitude towards training and learning.

The project pointed out the good practices that could be adopted by policy-makers, employers and human resources managers in the tourism industry. Results showed that investment in employee development and training results in the employee experiencing job satisfaction. This fosters more commitment towards the organisation, which leads to lower turnover rates and better performance. All in all, the study served to show that human resource development is of the utmost importance for the tourism sector in Europe.

(http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/000019b/80/1b/5d/a3.pdf).

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Conclusion

Population ageing and the rise in education levels among young people will undoubtedly lead to changes in the make-up of this sector and its working conditions. We can also expect a change in the demands of customers, to which the sector will need to adapt. This adaptation should be helped by the technological developments seen in the service sector in recent years, which have made it more flexible.

However, only an improvement in working conditions will make the sector more attractive to workers and enable it to meet the growing demand for services.



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Further information

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